Service Alberta

Annual Report
2011-2012

Alberta

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Annual Report
2011-2012

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 Ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

On October 12, 2011, the government announced new Ministry structures. The 2011-12 ministry annual reports and financial statements have been prepared based on the October 12, 2011 ministry structure.

This annual report of the Ministry of Service Alberta contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2012, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at May 31, 2012 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

(Original signed by)

Manmeet S. Bhullar
Minister of Service Alberta

Message from the Minister

It is my privilege to present the Ministry of Service Alberta 2011-12 annual report.

Service Alberta impacts Albertans' lives every day, whether they are buying a home, registering a vehicle, getting married, having a child or incorporating their business. Service Alberta provides services, products and information to Albertans and to partner ministries. The Ministry also plays a central role in the functioning of the government, with responsibilities including information technology support, information management policy and standards, procurement and the Alberta SuperNet.

The common visions and values of the Government of Alberta's public service - respect, accountability, integrity and excellence - guide the work of our Ministry. Service Alberta staff, who are dedicated to meeting the needs of Albertans and partner ministries, are committed to these principles.

In the past year, Service Alberta was awarded a gold Premier's Award of Excellence for the Desktop and Worksite Service Project – Bundle 3. The Ministry also garnered a bronze Premier's Award of Excellence for the Reserve.AlbertaParks.ca website, which is Alberta's online campground reservation service. Service Alberta also demonstrated excellence in other major areas. The Ministry:

- enhanced the current veterans licence plate program to include a veterans' motorcycle plate.
- began regulating home inspection businesses, so that Albertans are now able to ensure the home inspectors with whom they are dealing are appropriately experienced, properly accredited and carry the necessary insurance.
- acted to protect consumers by proposing national standards for roaming notifications and transparency of wireless data services to the Canadian Radio Telecommunications Commission.
- commenced work on Phase 1 of the New West Partnership Trade Agreement with British Columbia and Saskatchewan to facilitate harmonized rules for registering and reporting corporations.
- launched the enhanced Raising Children website. The website offers parents, families, caregivers and professionals who work with children, an easy-to-use, centralized location to provincial and federal online information and services to help ensure children achieve success and realize their full potential.
- completed expansion of Alberta Health Care Insurance Plan Registration Services through the registry agent network, enabling Albertans' to access Alberta Health Care enrolment at 106 registry agent sites across Alberta.
- supported more than 3,800 government buildings, libraries, schools, hospitals and municipalities in 402 rural and 27 urban communities province-wide through the Alberta SuperNet. In addition, government consulted with and designed new services for stakeholders, and worked to construct and provide connectivity to 12 new schools.
- signed standardized contracts with two vendors for mobile wireless products and services, with significant expected savings (70 per cent cost reductions) for the Government of Alberta.
- led the Government of Alberta in an expanded Procurement Card (government credit card) policy, resulting in efficiencies and savings compared to processing invoiced payments.
- amended the Energy Marketing and Residential Heat Sub-metering Regulation to allow marketers to accept deposits from residential consumers before the energy flows. This improves access to competitive contracts for consumers with poor or no credit history.

Service Alberta's achievements are founded on the shared commitment to excellence demonstrated by Ministry staff. The Ministry will continue to maintain a high standard of service within government and strive to find innovative ways to deliver services, products and information to Albertans.

(Original signed by)

Manmeet S. Bhullar
Minister of Service Alberta

Management's Responsibility for Reporting

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Service Alberta. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – goals, performance measures and related targets match those included in Ministry's Budget 2011.

As Deputy Minister, in addition to program responsibilities, I am responsible for the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance and the Minister of Service Alberta information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

(Original signed by)

Doug Lynkowski
Deputy Minister of Service Alberta
May 31, 2012

Results Analysis

Ministry Overview

CONSUMER SERVICES supports a fair, effective marketplace for consumers and businesses by developing, administering and enforcing consumer-related legislation. This unit promotes consumer awareness and education for consumers and businesses concerning their rights and responsibilities in residential tenancies, purchase decisions, contracts and identity protection. Consumers and businesses can access services directly and online. This business unit also:

- provides a fast, effective and low-cost option to resolve landlord and tenant disputes through the Residential Tenancy Dispute Resolution Service.
- offers a variety of consumer topics through tipsheets, infosheets and online consumer alerts promoting consumer and business awareness and education concerning their rights and responsibilities.
- operates four contact centres: Citizen Service 310-0000 Contact Centre, Consumer and Registry Contact Centre, Alberta Health Care Contact Centre and Parks Reservation Contact Centre providing referrals, advice and program information to Albertans.
- operates the Alberta Queen's Printer, the official publisher of Alberta's laws and publications.
- includes the Utilities Consumer Advocate which represents Albertans' interests in the regulatory proceedings of the Alberta Utilities Commission and provides consumers with the information they need to make informed choices about how to purchase electricity and natural gas based on their individual needs.

Significant achievements for Consumer Services are:

- strengthened payment card industry standards compliancy to further safeguard clients' credit card information
- surpassed 30,000 Residential Tenancy Dispute Resolution Service applications since opening in 2006
- investigated 779 complaints and recovered over $879,000 on behalf of Albertans under Investigation Services

REGISTRY SERVICES is responsible for:

- providing Albertans with a broad range of information and services essential to their everyday life. Albertans rely on the division for driver's licences and vehicle registrations, registration of births, deaths and marriages; incorporation of a new business or non-profit organization; authoritative land ownership records for privately owned land; and recording financial interest in personal property.
- providing critical registry data to Albertans, Alberta businesses and government departments (municipal, provincial and federal), in order to carry out their business.
- maintaining confidence in the reliability, integrity and security of information housed within the government's registry systems.
- providing services directly, or working with Alberta's network of 227 private registry agents to ensure that products and services are readily available to Albertans.

Significant achievements for Registry Services are:

- proclamation of the new *Vital Statistics Act* along with the implementation of the integrated Birth Registration and Canada Child Tax Benefit Application Service
- almost 17 million transactions completed through various delivery channels between the five registries:
  - Motor Vehicle
  - Vital Statistics
  - Corporate Registry
  - Personal Property Registry
  - Land Titles

SHARED NETWORK SERVICES provides common infrastructure for ministries to support a one-enterprise approach to the innovative and efficient delivery of programs and services to Albertans. This unit also:

- works to bring high-speed Internet availability to all of rural and remote Alberta through the Final Mile Rural Connectivity Initiative.
- develops and maintains a responsive, reliable voice, data and video information and communication environment to ensure sustainability and to realize the maximum value for ministries to deliver programs, services and access to Albertans.
- oversees SuperNet—a government enabled Internet based high-speed communications backbone that supports electronic commerce and provides access to government services in lifelong learning, health, recreation and business.

Significant achievements for Shared Network Services are:

- the Final Mile Rural Connectivity Initiative completed a province-wide coverage analysis pinpointing areas in Alberta without access to high-speed Internet and is working with industry to expand high-speed Internet connectivity to those areas
- working to assist municipalities, First Nations and Metis Settlements with broadband plans already underway

BUSINESS SERVICES provides centralized, shared services to the Government of Alberta (GoA). This business unit includes:

- Procurement, which acquires goods and selected services government programs require to meet their business needs.
- Client Services Operations, which is responsible for accounts payable, accounts receivable, Crown Debt collections, employee pay and benefits on behalf of the GoA.
- Service Development and Quality, which provides internal control framework services to client services business lines and manages the Integrated Management Information System (IMAGIS), the corporate finance and human resource information system for the GoA. In addition, the unit manages relationships with client ministries and service providers, and engages client ministries on projects that impact services or IMAGIS application delivery.
- Fleet Management Services, which facilitates vehicle acquisitions, manages the GoA fleet and administers the use of fleet service cards.
- the Electronic Payment System, which completes the payment of electronic invoices from participating vendors.
- Surplus Sales, which provides surplus sales, recycling and asset disposition services on behalf of the GoA.
- the Procurement Reengineering Initiative which aims to improve service

delivery, gain efficiencies and reduce costs through an enterprise approach to purchasing of goods and services.

Significant achievements for Business Services are:

- introduced the Enhanced Accountability Framework for Acquiring Goods and Services, which reinforces fairness, transparency and integrity in the procurement process
- began development of an online system for sale of surplus items, that will be accessible to the public from anywhere in the world

ENTERPRISE SERVICES is responsible for leading cross-ministry initiatives and bringing government representatives together to promote a one-enterprise technology approach.

Through the Office of the Corporate Chief Information Officer, the division fosters a consistent approach to decision-making and governance of information technology for the government. This includes authorizing and managing a framework for Information Management and Technology policy for the enterprise, developing policy directives and facilitating investments in infrastructure technology programs and services. This business unit is also responsible for the delivery of information technology infrastructure and services for the GoA domain ministries.

Enterprise Services is responsible for:

- facilitating and leading the one-enterprise approach for technology initiatives and programs across the GoA.
- the GoA Domain Integration and Information and Communication Technology Initiatives which aim to establish a shared technology environment and services across the GoA.
- the advancement and refinement of the corporate information security program.
- the development of GoA enterprise architecture, standards, policies, protocols and processes.
- the provision of information technology infrastructure and services including the hosting of corporate and ministry applications.
- the leadership of the Citizen Services Initiative which provides convenient, easy access to government information and services for Albertans via the GoA Programs and Services website.

Significant achievements for Enterprise Services are:

- implemented a new managed security service for the GoA to ensure GoA IT security meets world-class standards

INFORMATION SERVICES is focused on enabling the government to manage, protect, share and increasingly realize the full value of the government's information.

This area:

- provides departmental strategic policy development assistance and legislative services.
- administers Alberta's access and privacy legislation in both the public and private sectors through the *Freedom of Information and Protection of Privacy Acts*.
- administers the Records Management Regulation and information management program support.
- performs reviews of regulated industries such as landlords, collection agencies and charitable organizations.
- performs special investigations to ensure the integrity of Alberta's registries, and prevent identity and healthcare fraud.

- monitors and controls acquisition of prime agricultural and recreational land by non-Canadians through the Foreign Ownership of Land Regulations.

In addition, Information Services enables programs by providing ministries with various shared services:

- information and records management;
- specialized library and research services;
- government mail, courier, delivery and print services; and
- telecom, office equipment and identification card services.

Significant achievements for Information Services are:

- assisted 12,289 new Albertans in obtaining a class five driver's licence through the Graduated Driver Licence Program, a program that the Special Investigation Unit administers for the Ministry of Transportation and has done so since 2006
- delivered information management training to 419 government employees and FOIP/information management training to 57 staff members from Ministers' and Deputy Ministers' Offices

COMMUNICATIONS provides communications consultation, support and services to the Ministry.

DEPARTMENT CHIEF INFORMATION OFFICER provides application and technical infrastructure support for all Service Alberta registry-related systems. This unit develops and maintains Service Alberta applications and databases.

HUMAN RESOURCE SERVICES develops and implements human resource planning initiatives, policies and programs. Human Resource Services oversees employee attraction and retention, occupational health and safety, employee learning and development, and workplace wellness and recognition.

STRATEGIC PLANNING & FINANCIAL SERVICES leads Service Alberta in planning and performance measurement, budgeting, forecasting and financial reporting. This unit ensures that the Ministry's financial resource requirements are met by providing professional and quality financial processes and services. Typical activities include:

- co-ordinating the Ministry's financial budgeting and forecasting process.
- developing financial policy, monitoring compliance and implementing financial management best practices.
- developing the Ministry's strategic plans including the business plan, enterprise risk management framework and business continuity plan.
- developing the Ministry's financial reports, including, the preparation of the Ministry's financial statements.

Significant achievements for Strategic Planning and Financial Services are:

- implemented the Service Alberta Registry Invoices Online (SAbRIO) system in support of the Province's greening government strategy
- SAbRIO provides Corporate Registry clients with automated access to monthly invoices which stops the manual generation and mailing of over 10,000 pages of paper invoices

AUDITOR GENERAL *Alberta*

Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measure identified as "Reviewed by Auditor General" in the *Ministry of Service Alberta's 2011-12 Annual Report*. The reviewed performance measure is the responsibility of the Ministry and is prepared based on the following criteria:

- Reliability - information used in applying performance measure methodology agrees with underlying source data for the current and prior years' results.
- Understandability - the performance measure methodology and results are presented clearly.
- Comparability - the methodology for performance measure preparation is applied consistently for the current and prior years' results.
- Completeness – the goal, performance measure and related target match those included in the Ministry's Budget 2011.

My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Ministry.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measure. Further, my review was not designed to assess the relevance and sufficiency of the reviewed performance measure in demonstrating Ministry progress towards the related goal.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measure in the Ministry's 2011-12 Annual Report is not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above.

(Original signed by Merwan N. Saher, FCA)

Auditor General

May 18, 2012

Edmonton, Alberta

Performance measure reviewed by the Auditor General is noted with an asterisk (*)
on the Performance Measures Summary Table

Performance Measures Summary Table

Goals/Performance Measure(s)		Prior Years' Results				Target	Current Actual
1.	**Convenient and efficient services**						
1.A	Call Centre service index[1] (registry-related)	N/A 2007-08	93% 2008-09	90% 2009-10	85% 2010-11	**80%**	91% 2011-12
1.B*	Comparison of Alberta's fees to other jurisdictions to:						
	• Renew registration on a Honda Civic (per cent below national average)	N/A 2007-08	N/A 2008-09	N/A 2009-10	24% 2010-11	**Maintain Fees Below National Average**	10% 2011-12
	• Renew a driver's licence (per cent below national average)	33% 2007-08	34% 2008-09	39% 2009-10	42% 2010-11		24% 2011-12
	• Obtain a Collection Agency Licence (per cent below national average)	33% 2007-08	32% 2008-09	37% 2009-10	38% 2010-11		40% 2011-12
	• Obtain a Direct Selling Licence (per cent below national average)	28% 2007-08	27% 2008-09	27% 2009-10	29% 2010-11		39% 2011-12
1.C	Percentage of Albertans who are satisfied with access to Government of Alberta services and information[2]	65% 2007-08	69% 2008-09	- 2009-10	68% 2010-11	**80%**	- 2011-12
1.D	Percentage of Albertans who are satisfied with the timeliness of Government of Alberta services and information[2]	63% 2007-08	71% 2008-09	- 2009-10	73% 2010-11	**80%**	- 2011-12

* **Indicates Performance Measure that has been reviewed by the Office of the Auditor General**

The performance measure indicated with an asterisks was selected for review by Ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal and mandated initiatives,
- Measures for which new data is available, and
- Measures that have well established methodology.

[1] The service index is the respondent experience across five service attributes: courteousness, knowledge, effort, wait time, and ease of access.
[2] Survey is conducted every two years.

For more detailed information see Performance Measure Methodology section on Page 19.

Performance Measures Summary Table

Goals/Performance Measure(s)	Prior Years' Results				Target	Current Actual
2. Informed consumers and businesses and a high standard of marketplace conduct						
2.A Call Centre service index[1] (consumer-related)	N/A 2007-08	92%** 2008-09	91%** 2009-10	92%** 2010-11	**80%**	93% 2011-12
2.B Percentage of clients surveyed who are likely to recommend field investigative services to a friend[2]	83% 2007-08	87% 2008-09	82% 2009-10	- 2010-11	**85%**	84% 2011-12
3. Core standard shared services that facilitate government program and service delivery						
3.A Percentage of invoices paid electronically[3]	72% 2007-08	74% 2008-09	77% 2009-10	79% 2010-11	**90%**	81% 2011-12
3.B Percentage of clients satisfied with services received from Service Alberta[4]	N/A 2007-08	N/A 2008-09	N/A 2009-10	N/A 2010-11	**80%**	77% 2011-12

* **Indicates Performance Measure that has been reviewed by the Office of the Auditor General**

The performance measure indicated with an asterisks was selected for review by Ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal and mandated initiatives,
- Measures for which new data is available, and
- Measures that have well established methodology.

** **Results restated due to the addition of calls related to residential tenancy consumer issues.**

[1] The service index is the respondent experience across five service attributes: courteousness, knowledge, effort, wait time, and ease of access.

[2] Survey is now conducted every two years.

[3] Electronically refers to invoices paid using Electronic Payment System, Exclaim!, Procurement Cards and IMAGIS Recurring Vouchers.

[4] Clients of Service Alberta include those receiving service from: Accounts Payable, Accounts Receivable & Billings, Cash Office, Pay and Benefits, E-mail, Records Management, Library Service, Fleet Management, the Web Server Team, Electronic Payment System, Exclaim! System and Procurement Card.

For more detailed information see Performance Measure Methodology section on Page 19.

Discussion and Analysis of Results

GOAL 1

Convenient and efficient services

This goal reflects the Ministry's commitment to provide secure, accessible, accurate and competitively priced services to Albertans.

Performance Measures

► 1.A Call Centre service index – registry related (based on courteousness, knowledge, effort, wait time and ease of access)

Description

Client satisfaction survey regarding services provided through the Ministry Contact Centre (registry related) across five service attributes: courteousness, knowledge, effort, wait time and ease of access.

Results

At 91 per cent, the call centre service index (registry related) exceeds the target of 80 per cent.

Call Centre Service Index (Registry Related) (80 per cent Target)

Year	2009-10	2010-11	2011-12
Service Index*	90%	85%	91%

Source: Ivmet, Call Centre Satisfaction Survey

**The service index is the respondent experience across five service attributes: courteousness, knowledge, effort, wait time, and ease of access.*

Analysis

In spite of high demand, the service index remains high with 91 per cent of respondents indicating satisfaction with the attributes of the service provided by the contact centre (registry related). This result is higher than the prior year and exceeds the Ministry's target of 80 per cent.

► 1.B.1 Comparison of Alberta's fees to other jurisdictions to:

- **Renew registration on a Honda Civic**
- **Renew a driver's licence**

Description

Service Alberta works to ensure that Alberta's registry fee structure remains competitive with other Canadian jurisdictions. One area of comparison is the review of Alberta motor vehicle fees, where the cost of registering a vehicle and renewing a driver's licence were compared on a standardized national basis. The target is that Alberta's fees* remain competitive with the national average.

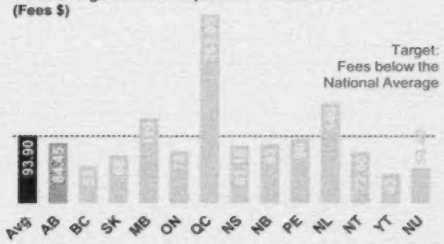
*Please note that "fees" in this analysis represents all associated charges that must be paid by the consumer to acquire the service. This includes all provincial/territorial government fees, taxes and service charges; Quebec includes a mandatory bodily injury insurance premium in both the vehicle renewal fee and driver's licence renewal fee.

Results

The results of the fee comparison indicates that the target was met as Alberta's fees for these products are competitive with the national average.

- The vehicle registration fee for a Honda Civic: 10 per cent below the national average. The fee was 24 per cent below in 2010-11.
- The driver's licence renewal fee: 24 per cent below the national average. The fee was 42 per cent below in 2010–11.

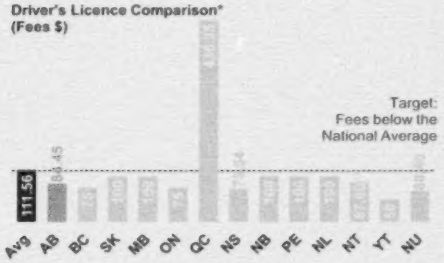
Vehicle Registration Comparison - Honda Civic*
(Fees $)



Source: Service Alberta Cross-Jurisdictional Fee Comparison

**Survey was standardized for comparative purposes to represent the annual fee charged to renew a Honda Civic weighing 1,250 kilograms in an urban area (includes all associated charges).*

Driver's Licence Comparison*
(Fees $)



Source: Service Alberta Cross-Jurisdictional Fee Comparison

**Survey was standardized for comparative purposes to represent the five-year renewal fee for a driver's licence with no demerits (includes all associated charges) as this represents the renewal option chosen by the majority of Albertans.*

Analysis

The results of the fee comparison are lower than prior years' due to an increase in Alberta's driver's licence renewal and vehicle registration fee for 2011-12. However, the target has been met as Alberta's fees for these products continue to be below the national average.

► 1.B.2 Comparison of Alberta's fees to other jurisdictions to obtain a:

- **Collection Agency Licence**
- **Direct Selling Licence**

Description

In this measure, Alberta's fees for certain business licences are compared to other Canadian jurisdictions. The licences selected for comparison are those determined to be most reflective of marketplace demand in the province:

- Collection Agency Licence
- Direct Selling Licence

The target is that Alberta's fees* remain competitive with the national average.

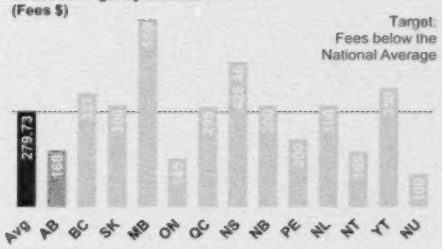
*Please note that "fees" in this analysis represents all associated charges that must be paid by the consumer to acquire the service. This includes all provincial/territorial government fees, taxes and service charges.

Results

- The Collection Agency Licence fee in Alberta is 40 per cent below the national average. The fee was 38 per cent below in 2010–11.
- The Direct Selling Licence fee in Alberta is 39 per cent below the national average. The fee was 29 per cent below in 2010–11.

The ratings demonstrate that both these fees are competitive with the national average.

Collection Agency Licence Fee*
(Fees $)



Source: Service Alberta Cross-Jurisdictional Fee Comparison

**The minimum annual fee charged for a collection agency licence in each Canadian jurisdiction (either a new licence or a renewal, whichever was lower, regardless of company size) was compared.*

Source: Service Alberta Cross-Jurisdictional Fee Comparison

**The minimum annual fee for a direct selling licence charged to sole proprietors, partnerships, or corporations, as compared across jurisdictions. To ensure comparability, only those jurisdictions who provide a comparable direct selling business licence are included.*

Analysis

Alberta's licensing fees continue to be competitive with national averages and other jurisdictions, which support a business-friendly marketplace.

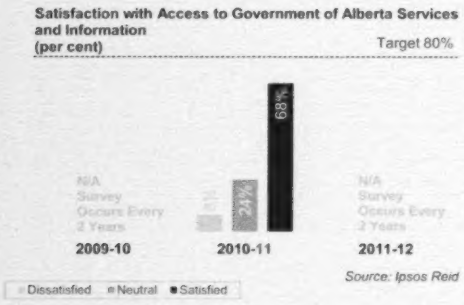
► 1.C Percentage of Albertans who are satisfied with access to Government of Alberta Services and Information

Description

This measure surveys Albertan's overall satisfaction with their ability to access government services whether online, by telephone, by mail, by fax or in person.

Results

No results are available for this year as the survey is conducted biennially. Updated results will be available in 2012-13. In 2010-11, 68 per cent of respondents were satisfied with access to Government of Alberta services and information.



Source: Ipsos Reid

Analysis

The survey is being conducted biennially, updated analysis will be available in 2012-13.

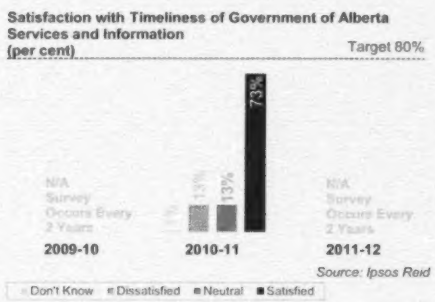
► 1.D Percentage of Albertans who are satisfied with timeliness of Government of Alberta Services and Information

Description

This measure surveys Albertans' overall satisfaction with the timeliness of services and information provided to them whether by telephone or in person.

Results

No results are available for this year as the survey is conducted biennially. Updated results will be available in 2012-13. In 2010-11, 73 per cent of respondents were satisfied with the timeliness of Government of Alberta services and information.



Source: Ipsos Reid

Analysis

The survey is being conducted biennially, updated analysis will be available in 2012-13.

GOAL 2

Informed consumers and businesses and a high standard of marketplace conduct

This goal reflects the Ministry's efforts to encourage an economy where consumers and businesses can be confident they are interacting in a fair environment.

Performance Measures

► 2.A Call Centre service index – consumer related (based on courteousness, knowledge, effort, wait time and ease of access)

Client satisfaction survey regarding services provided through the Ministry Contact Centre (consumer related) across five service attributes: courteousness, knowledge, effort, wait time and ease of access.

Results

The call centre service index (consumer related) is 93 per cent and exceeds the target of 80 per cent.

Call Centre Service Index (Consumer Related) (80 per cent Target)

Year	2009-10	2010-11	2011-12
Service Index*	91%**	92%**	93%

Source: Ivrnet, Call Centre Satisfaction Survey

**The service index is the respondent experience across five service attributes: courteousness, knowledge, effort, wait time, and ease of access.*
***Results restated due to the addition of calls related to residential tenancy consumer issues.*

Analysis

Client satisfaction with the services provided by the contact centre (consumer related) is high, with 93 per cent indicating satisfaction with the various attributes of the service. Despite increasing complexity and demand, the result demonstrates the Ministry's commitment to provide quality government services. The Ministry will continue to look for ways to maintain acceptable levels of client satisfaction.

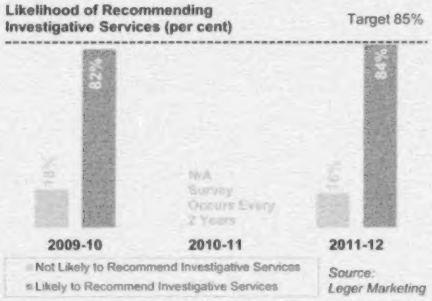
► 2.B Percentage of clients surveyed who are likely to recommend field investigative services to a friend

Description

The Ministry works to ensure a fair and effective marketplace for consumers and businesses by conducting investigations on complaints that fall under legislation for which the Ministry is responsible. Albertans' likelihood to recommend services provided by the Consumer Services investigation teams is assessed by this measure.

Results

Results indicate 84 per cent of respondents were likely to recommend investigative services to a friend in comparison to an 85 per cent target.



Analysis

At 84 per cent, the majority of respondents were likely to recommend investigative services to a friend, which nearly meets the target of 85 per cent. The Ministry will focus on maintaining acceptable satisfaction levels.

GOAL 3

Core standard shared services that facilitate government program and service delivery

This goal reflects the Ministry's role in providing core standard shared services to ministries across government in the areas of business, financial, pay and benefits, information and technology services, and the procurement of government vehicles.

Performance Measures

► 3.A Percentage of invoices paid electronically

Description

Measuring the percentage of invoices paid electronically relates to improving government efficiency. Electronic invoicing streamlines payment processes and gains efficiencies within the Government of Alberta and across ministries. The convenience of processing invoices electronically is expected to ultimately increase the efficiency of administrative payment tasks within ministries.

Results

In 2011-12, 81 per cent of invoices were paid electronically.

Percentage of Invoices Paid Electronically (90 per cent Target)

Year	2009-10	2010-11	2011-12
Percentage of Invoices	77%	79%	81%

Source: Service Alberta, Business Services Division, Electronic Payment System, Exclaim and IMAGIS AP Reporting

Analysis

At 81 per cent, the percentage of invoices paid electronically increased over the previous year. While the 90 per cent target was not met, a positive trend demonstrates the Ministry's commitment to streamline processes and improve efficiencies. Further progress is expected for 2012-13, as the Ministry continues to promote the use of electronic payments.

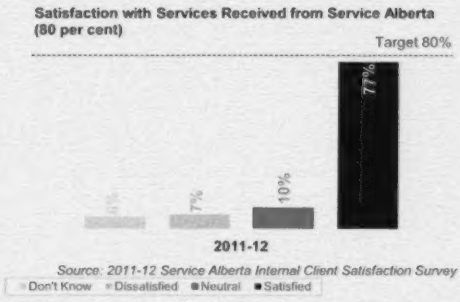
► 3.B Percentage of clients satisfied with services received from Service Alberta

Description

Service Alberta is committed to delivering core standard shared services to government ministries. This measure surveys internal clients' overall satisfaction with services provided by Service Alberta.

Results

The majority, or 77 per cent, of respondents indicated satisfaction with services received from Service Alberta. The 2011-12 target was 80 per cent.



Source: 2011-12 Service Alberta Internal Client Satisfaction Survey

Analysis

At 77 per cent satisfaction, the majority of respondents are satisfied with services received from Service Alberta and nearly meets the 80 per cent target. In 2011-12, three business areas were added to the survey and as such, results are not comparable with prior results. The three new business areas added are the Electronic Payment System, Exclaim! System and procurement card.

► **Supplemental Measure: Call Centre service index – health related (based on courteousness, knowledge, effort, wait time and ease of access)**

This measure involves a client satisfaction survey regarding services provided through the Ministry Contact Centre (health related) across five service attributes: courteousness, knowledge, effort, wait time and ease of access.

Results

In 2011-12, the Call Centre service index (health related) was 92 per cent.

Call Centre Service Index (Health Related)
(80 per cent Target)

Year	2009-10	2010-11	2011-12
Service Index*	85%	91%	92%

Source: Ivmet, Call Centre Satisfaction Survey

**The service index is the respondent experience across five service attributes: courteousness, knowledge, effort, wait time, and ease of access.*

Analysis

The service index remains high, with 92 per cent of respondents indicating satisfaction with the attributes of the service. This result is higher than prior years' and exceeds the Ministry's target of 80 per cent.

Ministry Expense by Function
(in millions)

	2011-12 Budget	2011-12 Actual	2010-11 Actual (Restated)
Protection of Persons and Property	$ 85.9	$ 80.7	$ 78.9
General Government	263.6	255.7	251.1
Total Expenses by Function	$ 349.5	$ 336.4	$ 330.0

Performance Measures - Source and Methodology

► 1.A Call Centre service index – registry related (based on courteousness, knowledge, effort, wait time and ease of access)

A satisfaction survey of Albertans that contacted the contact centre (registry related) was conducted in May 2012. Clients were asked to complete a survey following completion of their call. Those that agreed to participate were directed to an automated system to complete the survey, which is managed by Ivrnet, a third party consultant.

The survey prompts respondents to answer with either, "Unacceptable", "Poor", "Fair", "Good", "Excellent" or "No Opinion" across five service attributes: courteousness, knowledge, effort, wait time and ease of access. Those that responded with "Good" or "Excellent" were defined as being satisfied with that particular attribute of the service and counted towards the service index rating.

The rating is derived by taking the percentage of satisfied responses against the total.

Total annual sample and margin of error at the 95 per cent confidence interval for the five service attributes is as follows:

Courtesy: 222 interviews with results being accurate to within ±6.6 per cent.

Knowledge: 219 interviews with results being accurate to within ±6.6 per cent.

Effort: 219 interviews with results being accurate to within ±6.6 per cent.

Wait time: 217 interviews with results being accurate to within ±6.7 per cent.

Ease of access: 213 interviews with results being accurate to within ±6.7 per cent.

► 1.B.1 Comparison of Alberta's fees to other jurisdictions to:

- **Renew registration on a Honda Civic**
- **Renew a driver's licence**

Ministry staff contacted provincial and territorial governments across Canada to collect information on fees for vehicle registrations and driver's licences. To facilitate a reliable and meaningful comparative analysis, two key products were identified for the Motor Vehicles Registry: vehicle registration renewal and driver's licence renewal. These two products are the most common transactions, are available in a similar form in all Canadian jurisdictions and are the most familiar to the general public. The Honda Civic was chosen as the vehicle for comparison.

Since many jurisdictions use formulas (e.g., weight of a vehicle), these registrations were put into common scenarios to standardize comparisons across all provinces.

- Vehicle registration: fee associated with the renewal of a Honda Civic weighing 1,250 kilograms in an urban area (includes all government fees, taxes, service charges and premiums).

  Note: Nunavut's reported fee is based on a rate that excludes access to highways.

- Driver's licence: the renewal fee to renew a driver's licence with no demerits, based on a standard five year renewal (includes all government fees, taxes, service charges and premiums). A five-year renewal period was selected, as this is a common renewal timeframe selected by Albertans.

► 1.B.2 Comparison of Alberta's fees to other jurisdictions to obtain a:

- **Collection Agency Licence**
- **Direct Selling Licence**

Ministry staff contacted provincial and territorial government agencies across Canada to collect information on the fees charged for various business licences. It is important to note that Alberta charges a single, flat fee for each licence being compared. To ensure a meaningful comparison, the following assumptions were made:

Collection Agency Licence

Comparisons were made against the minimum business fee charged in the province or territory for either a new licence or a renewal, whichever was lower, regardless of company size.

Direct Selling Licence

Comparisons were made against the minimum fee charged to sole proprietors, partnerships or corporations excluding additional charges for branch or satellite offices. Where the fee was for a multi-year period, comparisons were made using the annual equivalent (e.g., $200 for a two-year licence would be $100 on an annual basis).

► 1.C Percentage of Albertans who are satisfied with access to Government of Alberta Services and Information

This research was not performed in 2011-12.

The last time this research was undertaken was January 2011 when Ipsos Reid conducted a random telephone survey of Albertans. Total annual sample for the survey was 1,037 interviews with results being accurate to within ±3.0 per cent, at the 95 per cent confidence interval.

Interviews were stratified by region – i.e., the City of Edmonton, the City of Calgary, Smaller Cities North, Smaller Cities South, Rural North and Rural South. Quotas were established to ensure a reliable sample size within each region for regional analysis. The data were weighted to ensure the overall sample's regional and age/gender composition reflects that of the actual Alberta population aged 18+ years according to 2006 Canadian Census data.

Respondents were presented with a list of actual Government of Alberta services or information and asked which they had accessed or tried to access in the past six months. Those who accessed one or more services or information on the list in person, by telephone, on the Internet or by mail/fax were asked to rate their satisfaction with their current ability to access Government of Alberta services and information, overall, regardless of means.

The survey employs a seven-point satisfaction scale, where one is very dissatisfied, four is neutral and seven is very satisfied. Respondents were asked to rate their overall satisfaction with the services they received. A satisfied respondent is defined as providing a five, six or seven on the seven-point scale, while dissatisfied is one, two or three.

► 1.D Percentage of Albertans who are satisfied with timeliness to Government of Alberta Services and Information

This research was not performed in 2011-12.

The last time this research was undertaken was January 2011 when Ipsos Reid conducted a random telephone survey of Albertans. Total annual sample for the survey was 581 interviews with results being accurate to within ±4.1 per cent, at the 95 per cent confidence interval.

Interviews were stratified by region – i.e., the City of Edmonton, the City of Calgary, Smaller Cities North, Smaller Cities South, Rural North and Rural South. Quotas were established to ensure a reliable sample size within each region for

regional analysis. The data were weighted to ensure the overall sample's regional and age/gender composition reflects that of the actual Alberta population aged 18+ years according to 2006 Canadian Census data.

Respondents were presented with a list of actual Government of Alberta services or information and asked which they had accessed or tried to access in the past six months. Those who accessed one or more services or information on the list in person or by telephone were asked to rate their satisfaction with the waiting time to deal with the person who served them.

The survey employs a seven-point satisfaction scale, where one is very dissatisfied, four is neutral and seven is very satisfied. Respondents were asked to rate their overall satisfaction with the services they received. A satisfied respondent is defined as providing a five, six or seven on the seven-point scale, while dissatisfied is one, two or three.

► 2.A Call Centre service index – consumer related (based on courteousness, knowledge, effort, wait time and ease of access)

A satisfaction survey of Albertans that contacted the contact centre (consumer related) was conducted in May 2012. Clients were asked to complete a survey following completion of their call. Those that agreed to participate were directed to an automated system to complete the survey, which is managed by Ivmet, a third party consultant.

The survey prompts respondents to answer with either, "Unacceptable", "Poor", "Fair", "Good", "Excellent" or "No Opinion" across five service attributes: courteousness, knowledge, effort, wait time, and ease of access. Those that responded with "Good" or "Excellent" were defined as being satisfied with that particular attribute of the service and counted towards the service index rating.

The rating is derived by taking the percentage of satisfied responses against the total.

Total annual sample and margin of error at the 95 per cent confidence interval for the five service attributes is as follows:

Courtesy: 216 interviews with results being accurate to within ±6.7 per cent.

Knowledge: 214 interviews with results being accurate to within ±6.7 per cent.

Effort: 208 interviews with results being accurate to within ±6.8 per cent.

Wait time: 205 interviews with results being accurate to within ±6.8 per cent.

Ease of access: 200 interviews with results being accurate to within ±6.9 per cent.

► 2.B Percentage of clients surveyed who are likely to recommend field investigative services to a friend

A telephone survey was conducted with clients of the Consumers Investigations unit. A private marketing research firm, Leger Marketing, was commissioned to conduct 2011-12 satisfaction research. The survey was conducted in July, September and December 2011, and March 2012.

Consumer Services provided the sample for this study. Total annual sample for the survey was 296 interviews with results being accurate to within ±5.7 per cent, at the 95 per cent confidence interval.

The survey prompts respondents to answer with either "Very Likely", "Somewhat Likely", "Not Very Likely" or "Not at All Likely" with regard to the recommendation of investigative services to a friend. A respondent providing a "Very Likely" and "Somewhat Likely" response represents a likely recommendation of investigative services, while a "Not Very

Likely" and "Not at All Likely" response represents an unlikely recommendation of investigative services.

► 3.A Percentage of invoices paid electronically

The percentage is calculated by dividing invoices paid through the Electronic Payment System, Exclaim!, procurement cards and the Integrated Management Information System (IMAGIS) Recurring Vouchers by all the invoices paid by the government.

Invoices for the Electronic Payment System, Exclaim!, procurement cards and IMAGIS Recurring Vouchers are calculated as follows:

Electronic Payment System

Invoices are counted by the number of active Vendor Account Codes that have charges against them. This is counted on a monthly basis as each vendor sends an electronic feed monthly that has Vendor Account Codes with charges.

Exclaim!

One paid electronic claim is counted as one invoice. Claims can have a zero dollar amount, created from a claim that is completely pre-paid.

Procurement Card

Each time a card is swiped, it is considered one transaction or one invoice.

IMAGIS Recurring Vouchers

One payment per month is counted as one electronically paid invoice.

Data is collected internally through the Electronic Payment System, Exclaim! and IMAGIS AP application database queries by Service Alberta's Business Services division.

► 3.B Percentage of clients satisfied with services received from Service Alberta

An online survey of internal clients was conducted by Service Alberta's Planning & Performance Measurement Branch from March to April 2012.

Clients were asked to rate their overall satisfaction with the service they received. Total annual sample for the survey was 1,921 interviews with results being accurate to within ±2.2 per cent at the 95 per cent confidence level.

Services included in the survey were:

- Accounts Payable
- Accounts Receivable and Billings
- Cash Office
- Fleet Management
- Library Services
- Pay and Benefits
- Records Management Service
- E-mail Unit
- Web Server Team
- Electronic Payment System (new)
- Exclaim! System (new)
- Procurement Card (new)

The survey employs a seven-point satisfaction scale, where one is very dissatisfied, four is neutral and seven is very satisfied. Respondents were asked to rate their overall satisfaction with the services they received. A satisfied respondent is defined as providing a five, six or seven on the seven-point scale, while dissatisfied is one, two or three.

► Supplemental Measure: Call Centre service index – health related (based on courteousness, knowledge, effort, wait time and ease of access)

A satisfaction survey of Albertans that contacted the contact centre (health related) was conducted in April 2011. Clients were asked to complete a survey following completion of their call. Those that agreed to participate were directed to an automated system to complete the survey, which is managed by Ivrnet, a third party consultant.

The survey prompts respondents to answer with either, "Unacceptable", "Poor", "Fair", "Good", "Excellent" or "No Opinion" across five service attributes: courteousness, knowledge, effort, wait time and ease of access. Those that responded with "Good" or "Excellent" were defined as being satisfied with that particular attribute of the service and counted towards the service index rating.

The rating is derived by taking the percentage of satisfied responses against the total.

Total annual sample and margin of error at the 95 per cent confidence interval for the five service attributes is as follows:

Courtesy: 313 interviews with results being accurate to within ±5.5 per cent.

Knowledge: 311 interviews with results being accurate to within ±5.6 per cent.

Effort: 302 interviews with results being accurate to within ±5.6 per cent.

Wait time: 302 interviews with results being accurate to within ±5.6 per cent.

Ease of access: 299 interviews with results being accurate to within ±5.7 per cent.

Ministry of Service Alberta

Financial Statements

March 31, 2012

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AUDITOR GENERAL
Alberta

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Financial Statements

I have audited the accompanying financial statements of the Ministry of Service Alberta, which comprise the statement of financial position as at March 31, 2012, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ministry of Service Alberta as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

(Original signed by Merwan N. Saher, FCA)

Auditor General

May 31, 2012

Edmonton, Alberta

Ministry of Service Alberta

Statement of Operations

Year ended March 31, 2012

(in thousands)

	2012 Budget (Schedule 4)	2012 Actual	2011 Actual (Restated - Note 3)
Revenues (Note 2(b) and Schedule 1)			
Fees and licences	$ 531,315	$ 533,596	$ 453,751
Other revenue	60,745	62,044	64,434
	592,060	595,640	518,185
Expenses- directly incurred (Notes 2(b) and 6 and Schedule 8)			
Program (Schedules 3 and 5)			
Ministry Support Services	8,813	9,830	8,756
Registries	53,555	55,246	50,500
Consumer Services	30,202	25,426	27,093
Business Services	76,979	77,275	72,888
Technology Services	179,963	168,630	170,775
	349,512	336,407	330,012
Net operating results	$ 242,548	$ 259,233	$ 188,173

The accompanying notes and schedules are part of these financial statements.

Ministry of Service Alberta

Statement of Financial Position

As at March 31, 2012

(in thousands)

	2012	2011 (Restated - Note 3)
Assets		
Cash	$ 72,958	$ 67,126
Accounts receivable (Note 4)	14,641	21,908
Inventories (Note 5)	1,470	1,579
Tangible capital assets (Note 7)	243,801	267,569
	$ 332,870	$ 358,182
Liabilities		
Accounts payable and accrued liabilities (Note 8)	$ 46,117	$ 60,971
Unearned revenue (Note 9)	268,771	228,414
	314,888	289,385
Net assets		
Net assets at beginning of year	68,797	118,844
Net operating results	259,233	188,173
Net financing provided for general revenues	(310,048)	(238,220)
Net assets at end of year	17,982	68,797
	$ 332,870	$ 358,182

Contractual obligations and contingent liabilities (Notes 10 and 11).

The accompanying notes and schedules are part of these financial statements.

Ministry of Service Alberta

Statement of Cash Flows

Year ended March 31, 2012

(in thousands)

	2012	2011 (Restated - Note 3)
Operating transactions		
Net operating results	$ 259,233	$ 188,173
Non-cash items included in net operating results		
Amortization	45,835	43,569
Loss (gain) on disposal of tangible capital assets	387	344
Provision for employee benefits	782	(1,331)
Provision for doubtful accounts	20	(33)
	306,257	230,722
Decrease in accounts receivable	7,247	5,643
Decrease (increase) in inventories	109	(341)
Increase (decrease) in accounts payable and accrued liabilities	(15,636)	7,684
Increase in unearned revenue	40,357	10,264
Cash provided by operating transactions	338,334	253,972
Capital transactions		
Acquisition of tangible capital assets	(19,671)	(28,603)
Adjustment to tangible capital assets	41	10
Net transfer of tangible capital assets to (from) other ministries [a]	(3,983)	3,415
Proceeds on disposal of tangible capital assets	1,159	292
Cash applied to capital transactions	(22,454)	(24,886)
Financing transactions		
Net financing provided for general revenues	(310,048)	(238,220)
Cash applied to financing transactions	(310,048)	(238,220)
Increase (decrease) in cash	5,832	(9,134)
Cash at beginning of year	67,126	76,260
Cash at end of year	$ 72,958	$ 67,126

[a] Computer software valued at $4,000 was transferred from the Department of Seniors and Community Supports and equipment valued at $17 was transferred to the Department of Infrastructure.

The accompanying notes and schedules are part of these financial statements.

Ministry of Service Alberta

Notes to the Financial Statements

Year ended March 31, 2012

Note 1
Authority and Purpose

The Ministry of Service Alberta (the Ministry) operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry provides standardized shared services to other ministries. It also delivers citizen-centred services and information to Albertans, including registering a life event, car, house, personal property or business; freedom of information and privacy requests; and consumer protection.

Note 2
Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of Service Alberta for which the Minister of Service Alberta is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance.

All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided from (for) General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting when the service has been rendered and when the amount can be reasonably determined. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

The Ministry uses a network of 227 agents located in communities throughout the province to deliver some of its Registry Services. These Registry Services include the issuance and renewal of drivers' licences; registrations of birth, marriage and death; land title searches and transfers; and registrations of corporations, vehicles, and liens, involving approximately 8.3 million transactions. The registry agents collect and remit to the Ministry, the various fees charged by the province for each service type. The registry agent can also charge a transaction fee for each service provided. The Ministry reports only the revenues due to the province under Fees and Licences on the Statement of Operations.

Notes to the Financial Statements

Year ended March 31, 2012

Note 2

Summary of Significant Accounting Policies and Reporting Practices

(continued)

Credit or Recovery

Credit or Recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If the actual Credit or Recovery amounts exceed budget, the Ministry may, with the approval of Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the Ministry's Credit or recovery initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which are the cost of employer contributions for current service of employees during the year; and
- valuation adjustments and statutory expenses which include land titles registrar's assurance liabilities and changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to doubtful accounts and vacation pay.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are not recognized and are disclosed in Schedule 7 and allocated to programs in Schedule 8.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals, as well as inventories held for resale.

Cash includes cash in bank and cash in transit. It predominantly consists of monies collected by registry agents for deposit into the General Revenue Fund.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000.

Notes to the Financial Statements

Year ended March 31, 2012

Note 2

Summary of Significant Accounting Policies and Reporting Practices

(continued)

Assets

The threshold for all other tangible capital assets is $5,000.

Amortization is only charged if the tangible capital asset is in use.

Costs associated with business process reengineering and system development costs incurred during the preliminary stage of an information technology project are expensed. System development costs associated with the development and acquisition of software are capitalized. Capitalization of costs begins after the preliminary project stage and ends when the system application is completed and ready for its intended use.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in the sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Ministry operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The allowance for doubtful accounts, recorded as $276 (2011 - $313) in these financial statements, is subject to measurement uncertainty. It is possible that the unrecoverable amount could be different from what was provided for.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, inventories, accounts payable and accrued liabilities and unearned revenue are estimated to approximate their carrying values because of the short term nature of these instruments.

Notes to the Financial Statements

Year ended March 31, 2012

Note 3

Program Transfers

(in thousands)

Based on agreements with other departments, the following transfers were made effective April 1, 2011:

- Furniture Services Program to the Department of Infrastructure
- Information Technology (IT) Service Request Coordination services to the Department of Agriculture and Rural Development

Comparatives for 2011 have been restated as if the departments involved have always had the program responsibilities.

Net operating results for 2011 have been restated as follows:

Net operating results, as previously reported	$ 187,808
Transfer to the Department of Infrastructure for Furniture Services	295
Transfer to the Department of Agriculture and Rural Development for IT Service Request Coordination services	70
Restated net operating results at March 31, 2011	$ 188,173

Net financing provided for general revenues on March 31, 2011 is made up of the following:

Net financing provided for general revenues, as previously reported	$ (237,855)
Transfer to the Department of Infrastructure for Furniture Services	(295)
Transfer to the Department of Agriculture and Rural Development for IT Service Request Coordination services	(70)
Restated net financing for general revenues at March 31, 2011	$ (238,220)

Ministry of Service Alberta

Notes to the Financial Statements

Year ended March 31, 2012

Note 4

Accounts Receivable

(in thousands)

	2012			2011
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$ 14,836	$ 276	$ 14,560	$ 21,461
Refunds from suppliers	81	-	81	447
	$ 14,917	$ 276	$ 14,641	$ 21,908

Accounts receivable are unsecured and non-interest bearing. The accounts receivable amount includes $551 (2011 - $2,579) to be received from other government ministries.

Note 5

Inventories

(in thousands)

Inventories consist of the following items for resale:

	2012	2011
Postage	$ 1,180	$ 1,268
Queen's Printer publications	290	311
	$ 1,470	$ 1,579

Note 6

Amounts not Required to be Voted

(in thousands)

Included in the Ministry's directly incurred expenses are the following amounts:

	2012	2011
Amortization	$ 45,835	$ 43,569
Provision for employee benefits	782	(1,331)
Provision for doubtful accounts	20	(33)
Land Titles Registrar's assurance liabilities	397	996
Loss on sale of tangible capital assets	505	344
	$ 47,539	$ 43,545

Notes to the Financial Statements

Year ended March 31, 2012

Note 7
Tangible Capital Assets

(in thousands)

	2012				2011
	Equipment [1]	Computer Hardware and Software [2] [3]	SuperNet [4]	Total	Total
Estimated Useful Life	3 - 20 years	3 - 10 years	5 - 24 years		
Historical Cost [5]					
Beginning of year	$ 108,437	$ 224,095	$ 196,824	$ 529,356	$ 506,370
Additions	5,365	14,306	-	19,671	28,603
Disposals, including write-downs, transfers and adjustments	(4,849)	2,415	-	(2,434)	(5,617)
	$ 108,953	$ 240,816	$ 196,824	$ 546,593	$ 529,356
Accumulated Amortization					
Beginning of year	$ 45,517	$ 145,076	$ 71,194	$ 261,787	$ 219,774
Amortization expense	14,004	23,086	8,745	45,835	43,569
Effect of disposals, including adjustments	(2,613)	(2,217)	-	(4,830)	(1,556)
	$ 56,908	$ 165,945	$ 79,939	$ 302,792	$ 261,787
Net Book Value at March 31, 2012	$ 52,045	$ 74,871	$ 116,885	$ 243,801	
Net Book Value at March 31, 2011	$ 62,920	$ 79,019	$ 125,630		$ 267,569

(1) Equipment includes furniture, fixtures and vehicles.

(2) Computer hardware and software includes all development costs incurred by the Ministry in the implementation of the Alberta Government Integrated Management Information Systems (IMAGIS). The cost of each module is amortized over a 10-year useful life.

(3) Included in computer hardware and software at March 31, 2012 is $2,888 for the Justice Innovation and Modernization initiative, which will be transferred to the Department of Justice and Attorney General.

(4) SuperNet includes the following components:

Indefeasible Right of Use Agreements which grant the Government of Alberta exclusive use of specific fibre optic cable, wireless equipment, tower space and points of presences and an indefeasible right to use common support structures (sheathing, conduit, handholes, pedestals, etc.). Indefeasible means the right to use cannot be defeated, revoked or made void. All indefeasible right of use agreements have an initial 20-year term with renewal options.

Fibre Purchase Agreements grant the ownership of specific fibre optic cables and an indefeasible right to use common support structures (sheathing, conduit, handholes, pedestals, etc.).

(5) Historical cost includes work-in-progress at March 31, 2012 totalling $33,250 comprised of: equipment $3,520 (2011 – $8,557) and computer hardware and software $29,730 (2011 – $25,018).

Notes to the Financial Statements

Year ended March 31, 2012

Note 8
Accounts Payable and Accrued Liabilities

(in thousands)

The Ministry has an obligation to pay for goods and services acquired by its program areas. It must also remit funds collected on behalf of the Department of Justice and Attorney General.

	2012	2011
Accounts payable	$ 9,069	$ 10,838
Accrued liabilities		
Employee benefits	12,047	11,422
Other	14,215	28,461
Payable to Department of Justice and Attorney General	10,786	10,250
	$ 46,117	$ 60,971

Note 9
Unearned Revenue

(in thousands)

The Ministry records unearned revenue when it receives payments for services to be provided in a future accounting period.

	2012	2011
Motor Vehicles	$ 265,693	$ 227,243
Land Titles	363	618
Utilities Consumer Advocate	2,028	-
Business licenses	484	352
Other	203	201
	$ 268,771	$ 228,414

Note 10
Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2012	2011
Obligations under operating leases, contracts and programs	$ 348,432	$ 361,418

Estimated payment requirements for obligations under operating leases, contracts and programs for each of the next five years and thereafter are as follows:

Year	Total
2012-13	$ 130,158
2013-14	99,335
2014-15	63,877
2015-16	33,993
2016-17	20,055
Thereafter	1,014
	$ 348,432

Contractual obligations totalling $287,975 (2011 - $307,596) represent commitments for the provision and delivery of technology and network services.

Notes to the Financial Statements

Year ended March 31, 2012

Note 11
Contingent Liabilities

(in thousands)

At March 31, 2012, the Ministry is a defendant in twenty-four legal claims (2011 – twelve legal claims). Twenty of these claims have specified amounts totalling $51,938 and the remaining four claims have no specified amount (2011 – nine claims with specified amounts totalling $2,316 and three with no specified amount).

Three claims (2011 – one claim) are covered or partially covered by Alberta Risk Management Fund, with coverage amounting to $33,450 (2011 - $100).

The resulting loss, if any, from these claims cannot be determined.

Note 12
Trust Funds under Administration

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2012 trust funds under administration were as follows:

	2012	2011
Business licensing security	$ 2,778	$ 2,327
Miscellaneous trust funds	261	294
	$ 3,039	$ 2,621

Note 13
Payment under Agreement

(in thousands)

The Ministry has entered into an agreement with Statistics Canada to explore the feasibility of establishing a secure network for sharing vital event data between federal and provincial organizations. The National Routing System pilot project is fully funded by Statistics Canada.

Costs incurred under this agreement are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Accounts payable includes $72 (2011 - $188) of unspent funding contribution received from Statistics Canada. Amount paid under the agreement with Statistics Canada is $317 (2011 - $285).

Notes to the Financial Statements

Year ended March 31, 2012

Note 14
Benefit Plans

(in thousands)

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $11,171 for the year ended March 31, 2012 (2011 - $10,523). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2011, the Management Employees Pension Plan reported a deficiency of $517,726 (2010 - deficiency $397,087), the Public Service Pension Plan reported a deficiency of $1,790,383 (2010 - deficiency $2,067,151) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $53,489 (2010 - deficiency $39,559).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2012, the Bargaining Unit Plan reported an actuarial surplus of $9,136 (2011 – deficiency $4,141) and the Management, Opted Out and Excluded Plan an actuarial surplus of $10,454 (2011 – surplus $7,020). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 15
Comparative Figures

Certain 2011 figures have been reclassified to conform to the 2012 presentation.

Note 16
Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Ministry of Service Alberta

Schedule to Financial Statements

Revenues

Schedule 1

Year ended March 31, 2012

(in thousands)

	2012		2011
	Budget	Actual	Actual
Fees and licences			
Motor Vehicles	$ 431,030	$ 420,005	$ 382,743
Land Titles	66,200	78,888	52,677
Other	34,085	34,703	18,331
	531,315	533,596	453,751
Other revenue			
Shared Services	49,675	51,470	52,394
Utilities Consumer Advocate	9,195	7,363	9,206
Other	1,875	3,211	2,834
	60,745	62,044	64,434
Total revenues	$ 592,060	$ 595,640	$ 518,185

Ministry of Service Alberta

Schedule to Financial Statements

Credit or Recovery

Schedule 2

Year ended March 31, 2012

(in thousands)

	2012		
	Authorized	Actual	Excess/ (Shortfall)
Shared Services [1]	$ 49,675	$ 51,470	$ 1,795
Utilities Consumer Advocate [2]	9,165	7,363	(1,802)
Residential Tenancy Dispute Resolution [3]	620	590	(30)
Registry Data Information [4]	300	135	(165)
	$ 59,760	$ 59,558	$ (202) [5]

(1) The Ministry receives revenue from other ministries to recover the cost of providing standardized shared services.

(2) The Utilities Consumer Advocate represents the interests of residential, farm and small business consumers of electricity and natural gas. It influences utility regulations, policies and practices and informs consumers about electricity and natural gas issues.

Eighty per cent of its funding is received through the Balancing Pool (section 148 of the Electric Utilities Act) with a further twenty per cent from three provincial natural gas distributors (section 28.1 of the Gas Utilities Act). Funding is based on the actual amount expended during the year.

(3) The Residential Tenancy Dispute Resolution Service offers landlords and tenants an alternative means of resolving disputes outside of court. The service is designed to be faster, less formal and less expensive than the courts.

(4) The provision of special reports and bulk data transfer of registry data information is recovered through third party agreements.

(5) Shortfall is deducted from current year's authorized budget, as disclosed in schedules 4 and 5 of the financial statements.

Ministry of Service Alberta

Schedule to Financial Statements

Expenses - Directly Incurred Detailed by Object

Schedule 3

Year ended March 31, 2012

(in thousands)

	2012		2011
	Budget	Actual	Actual (Restated - Note 3)
Salaries, wages and employee benefits	$ 115,942	$ 113,848	$ 109,511
Supplies and services	184,168	176,623	176,806
Amortization of tangible capital assets	49,294	45,835	43,569
Other	108	101	126
	349,512	336,407	330,012

Ministry of Service Alberta

Schedule to Financial Statements

Budget

Schedule 4

Year ended March 31, 2012

(in thousands)

	2011-12 Estimates	Adjustments	2011-12 Authorized Budget
Revenues			
Fees and licences			
Motor Vehicles	$ 431,030	$ -	$ 431,030
Land Titles	66,200	-	66,200
Other	34,085	-	34,085
Other revenue			
Shared Services	49,675	-	49,675
Utilities Consumer Advocate	9,195	-	9,195
Other	1,875	-	1,875
	592,060	-	592,060
Expenses - directly incurred			
Programs			
Ministry Support Services	8,813	-	8,813
Registries [a]	53,555	400	53,955
Consumer Services	30,202	-	30,202
Business Services	76,979	-	76,979
Technology Services	179,963	-	179,963
Credit or recovery shortfall (Schedule 2) [c]	-	(202)	(202)
	349,512	198	349,710
Net operating results	$ 242,548	$ (198)	$ 242,350
Capital investment [b]	$ 50,411	$ (27,117)	$ 23,294

[a] The Ministry received approval from Treasury Board and Enterprise to increase expense to support planning work for the upgrade of the Land Titles Registrations Distribution System.

[b] The Ministry received approval from Treasury Board and Enterprise to reprofile capital investment for the Information Management Technology Strategy.

[c] Credit or recovery was less than authorized budget.

Ministry of Service Alberta

Schedule to Financial Statements

Comparison of Directly Incurred Expense and Capital Investment by Element to Authorized Spending

Schedule 5

Year ended March 31, 2012

(in thousands)

Expense and Capital Investment	2011-12 Estimates	Adjustments	2011-12 Budget	Amounts Not Required To Be Voted	2011-12 Authorized Budget	2011-12 Actual	Unexpended (Over Expended)
Program 1 Ministry Support Services							
Minister's Office	$ 510	$ -	$ 510	$ -	$ 510	$ 468	$ 42
Deputy Minister's Office	495	-	495	-	495	761	(266)
Corporate Services	7,808	-	7,808	(37)	7,771	8,556	(785)
	8,813	-	8,813	(37)	8,776	9,785	(1,009)
Program 2 Registries							
Land Titles							
Expenses [B]	12,875	400	13,275	(20)	13,255	12,808	447
Capital investment	-	-	-	-	-	54	(54)
Motor Vehicles							
Expenses	16,100	-	16,100	-	16,100	16,590	(490)
Other Registry Services							
Expenses	7,390	-	7,390	(5)	7,385	7,519	(134)
Capital investment	1,861	-	1,861	-	1,861	355	1,506
Registry Information System							
Expenses	17,190	-	17,190	-	17,190	17,783	(593)
Capital investment	-	-	-	-	-	421	(421)
	55,416	400	55,816	(25)	55,791	55,530	261
Program 3 Consumer Services							
Consumer Awareness and Advocacy							
Expenses	21,037	-	21,037	(127)	20,910	17,975	2,935
Capital investment	-	-	-	-	-	6	(6)
Utilities Consumer Advocate							
Expenses	9,165	-	9,165	-	9,165	7,363	1,802
	30,202	-	30,202	(127)	30,075	25,344	4,731

Ministry of Service Alberta

Schedule to Financial Statements

Comparison of Directly Incurred Expense and Capital Investment by Element to Authorized Spending

Schedule 5 (Continued)

Year ended March 31, 2012

(in thousands)

	2011-12 Estimates	Adjustments	2011-12 Budget	Amounts Not Required To Be Voted	2011-12 Authorized Budget	2011-12 Actual	Unexpended (Over Expended)
Program 4 Business Services							
Procurement and Administration Services							
Expenses	59,669	-	59,669	(12,024)	47,645	46,537	1,108
Capital investment	4,170	-	4,170	-	4,170	4,078	92
Financial and Employee Services							
Expenses	17,310	-	17,310	-	17,310	16,956	354
Capital investment	130	-	130	-	130	-	130
	81,279	-	81,279	(12,024)	69,255	67,571	1,684
Program 5 Technology Services							
Technology Operations and Infrastructure							
Expenses	133,868	-	133,868	(38,143)	95,725	100,823	(5,098)
Capital investment	3,500	-	3,500	-	3,500	-	3,500
Enterprise Services							
Expenses	25,730	-	25,730	-	25,730	16,375	9,355
Capital investment [b]	40,750	(27,117)	13,633	-	13,633	13,522	111
Network Services							
Expenses	20,365	-	20,365	-	20,365	18,354	2,011
Capital investment	-	-	-	-	-	1,235	(1,235)
	224,213	(27,117)	197,096	(38,143)	158,953	150,309	8,644
Credit or recovery shortfall (Schedule 2) [c]	-	(202)	(202)	-	(202)	-	(202)
	399,923	(26,919)	373,004	(50,356)	322,648	308,539	14,109
Expense	349,512	198	349,710	(50,356)	299,354	288,868	10,486
Capital investment	50,411	(27,117)	23,294	-	23,294	19,671	3,623
	$ 399,923	$ (26,919)	$ 373,004	$ (50,356)	$ 322,648	$ 308,539	$ 14,109

[a] The Ministry received approval from Treasury Board and Enterprise to increase expense to support planning work for the updgrade of the Land Titles Registrations and Data Distribution System.

[b] The Ministry received approval from Treasury Board and Enterprise to reprofile capital investment for the Information Management Technology Strategy.

[c] Credit or recovery was less than authorized budget.

Ministry of Service Alberta

Schedule to Financial Statements

Salary and Benefits Disclosure

Schedule 6

Year ended March 31, 2012

	2012				2011
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total
Senior Official					
Deputy Minister [4] [5]	$ 264,586	$ 78,904	$ 77,553	$ 421,043	$ 330,368
Executives					
Assistant Deputy Ministers					
Business Services [6]	162,123	4,250	44,173	210,546	212,386
Consumer Services [7]	185,472	29,675	52,406	267,553	183,738
Enterprise Services	192,888	1,250	58,035	252,173	242,932
Information Services [8]	150,539	33,576	40,367	224,482	174,794
Registry Services	183,275	1,250	50,409	234,934	243,684
Executive Directors					
Human Resource Services	151,836	1,250	39,461	192,547	177,941
Strategic Planning and Financial Services	151,836	7,067	43,725	202,628	183,612

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation payouts, lump sum payments and automobile allowance. There were no bonuses paid in 2012.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans and professional memberships.

(4) An automobile was provided for part of the year.

(5) The position was occupied by two individuals at different times in 2012.

(6) The position was occupied by two individuals at different times in both 2012 and 2011.

(7) The position of Assistant Deputy Minister, Consumer Services was created June 2010. The position was occupied by two individuals at different times in 2012.

(8) The position was occupied by two individuals at different times in 2012.

Ministry of Service Alberta

Schedule to Financial Statements

Related Party Transactions

Schedule 7

Year ended March 31, 2012

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2012	2011
Revenues		
Shared services billings to other ministries (Schedule 2)	$ 51,470	$ 52,394
Expenses - directly incurred		
Insurance charges from the Department of Finance	$ 146	$ 165
Parking charges from the Department of Infrastructure	6	5
	$ 152	$ 170
Tangible capital assets transferred in (out)	$ 3,983	$ (3,415)
Receivables from Alberta Government departments and agencies (Note 4)	$ 551	$ 2,579
Payable to the Department of Justice and Attorney General (Note 8)	$ 10,786	$ 10,250

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Other Entities	
	2012	2011
Revenues		
Shared services	$ 93,053	$ 92,217
Expenses - incurred by others		
Accommodations from the Department of Infrastructure	$ 21,172	$ 20,740
Legal services from the Department of Justice and Attorney General	1,305	1,434
Other	98	180
	$ 22,575	$ 22,354

Ministry of Service Alberta

Schedule to Financial Statements

Allocated Costs

Schedule 8

Year ended March 31, 2012

(in thousands)

Program	2012 Expenses [1]	2012 Expenses - Incurred by Others: Accommodation Costs [2]	2012 Expenses - Incurred by Others: Legal Services [3]	2012 Expenses - Incurred by Others: Other Costs [4]	2012 Total Expenses	2011 Total Expenses (Restated - Note 3)
Ministry Support Services	$ 9,830	$ 1,169	$ 47	$ 98	$ 11,144	$ 10,167
Registries	55,246	3,319	242	-	$ 58,807	54,124
Consumer Services	25,426	3,277	26	-	$ 28,729	30,813
Business Services	77,275	9,871	946	-	$ 88,092	83,340
Technology Services	168,630	3,536	44	-	$ 172,210	173,922
	$ 336,407	$ 21,172	$ 1,305	$ 98	$ 358,982	$ 352,366

[1] Expenses - directly incurred as per Statement of Operations.

[2] Costs shown for accommodation provided by the Department of Infrastructure on Schedule 7 are allocated to each program by employee.

[3] Costs shown for legal services provided by the Department of Justice and Attorney General on Schedule 7 are allocated based on estimated costs incurred by each program.

[4] Costs shown for internal audit, the Government of Alberta learning centre and air transportation services provided by the Department of Treasury Board and Enterprise on Schedule 7 are allocated based on costs incurred by each program.

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